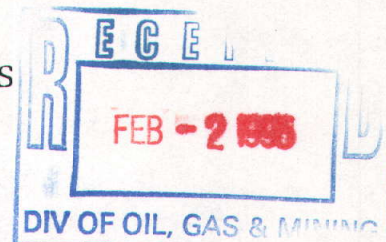


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
Telephone: (801) 538-5340
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) Jan 1994 To (mo./yr.) Dec 1994
2. DOGM File Number (Mine No): M / 053 / 005
3. Mine Name: Goldstrike Mine
4. Mineral(s) Mined (or permitted to mine): Gold, Silver
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected): see attached comments I.6.
 1/4, 1/4, Section , Township , Range
 1/4, 1/4, Section , Township , Range
 1/4, 1/4, Section , Township , Range
7. Name of Operator or Company: USMX of Utah, Inc.
8. Permanent Street Address : 38 Miles NW of St George
City, State, Zip: St George Ut. 84771
Phone: (801) 574-3269/3164
9. Company Representative (or designated operator):
Name: James A. Smith
Title: Mine Manager
Business Address: P.O. Box 2650
City, State, Zip: St George, ut 84771
Phone: (801) 574-3269/3164

☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes ☒ No ☐
2. If active, how much ore or mineral was mined? 1,117,995 tons

3. How much **additional acreage** was disturbed during the past year? 16.6 acres
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

see comments II.4.

5. How much acreage was **reclaimed** during the past year? 116.4 acres
6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

see comments II.6.

7. What is the **total disturbed acreage** at years end? 388.8 acres
8. Briefly summarize any mining and/or reclamation plans for the upcoming year.

see comments II.8.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

James A. Smith

Title of Operator:

Mine Manager

Signature of Operator:

James A. Smith

Date:

30 JAN 95

1994

USMX GOLDSTRIKE MINE
ANNUAL REPORT OF MINING OPERATIONS
COMMENTS

I.6. LEGAL DESCRIPTION OF AFFECTED LANDS

Township 39 South, Range 18 West

Section 16

SW 1/4 and NW 1/4 of SE 1/4
ME 14 and SE 14 and SW 1/4 of SW 1/4

Section 17

SE 1/4 and SW 1/4 of SE 1/4

Section 19

SE 1/4 of NE 1/4
SW 1/4 and NW 1/4 and NE 1/4 of SE 1/4
SE 1/4 and SW 1/4 of SW 1/4

Section 20

All of NW 1/4
All of NE 1/4

Section 21

All of NW 1/4
SW 1/4 and NW 1/4 of NE 1/4

Section 30

SW 1/4 and NW 1/4 and NE 1/4 of NW 1/4

Township 39 South, Range 19 West

Section 25

NE 1/4 and SE 1/4 and SW 1/4 of NE 1/4
SE 1/4 of NW 1/4
NE 1/4 of SW 1/4
NE 1/4 and NW 1/4 and SW 1/4 of SE 1/4

II.4. ADDITIONAL DISTURBANCE DURING 1994

EAST HAMBURG:

The backfilled East Hamburg Pit was used as the area for crushing operations during the year. Crushing was completed during late 1994 and the pit will be reclaimed in 1995.

WEST HAMBURG:

The backfilled West Hamburg pit was partially reclaimed and seeded. Final reclamation has been delayed until after the end of operations by placement of a 5,000,000 gallon fresh water storage pond in the backfilled pit.

PADRE:

The reclamation of the Padre Pit was completed in 1993. A small area which experienced erosion during a heavy storm in late 1993 was benched and seeded as a remedial measure. Reclamation of the upper portion of the access road to the pit was accomplished during the fall of 1994. The pit area which was seeded last year has an excellent vegetative cover crop established.

BASIN:

The pit had been backfilled to non impoundment of water last year, it was topsoiled and seeded this year.

GOLDTOWN:

The lower Goldtown area was reclaimed prior to this year. No new work was done in Goldtown. The two sections of Goldtown which were reclaimed during the two previous years show excellent establishment of new vegetation.

The wildlife exclosure which was built on Goldtown shows the heavy use in spring and fall by deer on the area. A herd of 6 to 12 deer feed on Goldtown nearly year round. In the spring and fall numbers of nearly 50 deer have been seen regularly on this area.

COVINGTON:

The Covington Pit was backfilled to positive drainage topsoiled and seeded for final reclamation.

MOOSEHEAD:

Mining of The Moosehead Pit was completed during the year. The lower reaches were backfilled to a level which will not impound water and all areas possible were topsoiled and seeded.

An area of special note at Moosehead is that the notch cut into the hill by mining the upper levels of the orebody on the eastern end were backfilled with waste from the Beavertail pit. This cost extra money but had two positive results:

- 1) More area of the Moosehead Pit was able to be reclaimed leaving less highwall in place.
- 2) A waste dump was avoided at the Beavertail Pit area.

MOOSEHEAD DUMP (WEST DUMP);

The Moosehead dump was contoured, topsoiled and seeded during the fall of 1994.

CARIBOU:

The Caribou Pit was mined out, backfilled and reclaimed during 1994.

BEAVERTAIL:

The Beavertail pit was mined out, the lower reaches backfilled, topsoiled and reclaimed.

OTHER:

A new access road was constructed northeast from the county road into the mine site connecting to the mine haul road about midway between the beavertail and moosehead pits. This new road will become the main access into the site for the remainder of the mine life and into the east fork area after mine closure.

The existing haul road is being reclaimed to an average width of approximately 30 feet to accommodate this future use.

Total material mined for the year was 3,350,923 tons of which 2,232,928 tons were waste and 1,117,995 tons were ore.

II.6.

RECLAMATION WORK:

This year extensive reclamation work was accomplished at the mine site. All pits were backfilled to non impoundment with waste material and most were topsoiled and seeded. Drill roads and excavations around the perimeter areas of the pits were regraded using a backhoe, where possible, to natural topography and seeded. Haul roads into the Padre, Covington and Moosehead pits were reclaimed. All fence segments which had been constructed as perimeter fence and then abandoned by future expansion were removed. Approximately 24,000 linear feet of exploration roads not immediately adjacent to mining areas were reclaimed and seeded. The majority of the mine haul roads from Beavertail area to the process site were reclaimed leaving only the permanent access road into the area. Culverts were installed in the permanent access road for long term maintenance and drainage considerations.

The pit haul roads were reclaimed by regrading the fill slope to an approximate 2.5:1 slope and then spreading topsoil over the slope. A dozer with a triple ripping bar was then used to cross rip the slope prior to seeding with the designated seed mix. Seed was sown by broadcasting with a hand held mechanical broadcast spreader as soon as possible after the final ripping had taken place. In some areas the slope was steep enough that the dozer had to cut benches to facilitate the cross ripping, in these areas the end result was a series of miniature benches (up to 4 feet wide and high). The main haul road which is to remain as permanent access to the area was reclaimed in much the same manner. The exception is there were some sections which in order to leave an adequate width of traveling surface required benching of the fill slopes with 15 foot benches. This was determined to be the best means of establishing a vegetative growth surface on the steep slopes that must remain in place.

The end result of all reclamation work has given a growth surface and visual aspect that will be recognized as being of superior quality for reclamation purposes.

Reclamation completed in 1994 by area.

PADRE ROAD	6.45 ACRES
DUMP#1	2.36 ACRES
WEST HAMBURG PIT	5.07 ACRES
BASIN	3.87 ACRES
COVINGTON PIT	12.65 ACRES
GOLDSIL HAUL ROAD	34.14 ACRES
CARIBOU PIT	3.90 ACRES
MOOSEHEAD PIT	17.79 ACRES
MOOSEHEAD DUMP	15.47 ACRES
BEAVERTAIL PIT	14.67 ACRES
TOTAL	116.37 ACRES

In addition to these approximately 12.1 acres of drill exploration roads off-site were reclaimed.

II.8. PLANNED OPERATIONS FOR 1995:

During the coming year the main access road will be established by completing the reclamation of the Goldsil haul road. Approximately 25,000 feet of exploration roads offsite will be reclaimed. The existing office will be removed from the mine and the area will be reclaimed except for planned permanent roads. Office facilities will be set up in the existing lab building. Dumps 1 and 2 will be reclaimed except for the area of the Pad 1 Rinse Water Pond and necessary permanent roads. Leach Pad 1 will continue to be neutralized and when acceptance is obtained of the adequacy of neutralization the pad will be regraded, topsoiled and seeded. The East Hamburg Pit will be regraded, topsoiled and seeded except for the road to the Hamburg Fresh Water Pond. The sediment dam below the plant facilities will be regraded on the downstream face to a 2.5:1 slope and the up and downstream slopes topsoiled and seeded.

The existing plant facilities will continue to operate while gold recovery from Pad 2 and rinsing of Pad 1 continues.

There may, depending on corporate decisions, be some continued exploration work done on site.